

# **CONTROLLER STEVE WESTLY**

## **STATE OF CALIFORNIA**

300 Capitol Mall  
Sacramento, CA 95814  
916.445.2636  
[www.controller.ca.gov](http://www.controller.ca.gov)

---

**FOR IMMEDIATE RELEASE:**  
**MARCH 4, 2004**

**CONTACT: STEVEN FISHER OR**  
**LAURA ADLEMAN**  
916-445-2636

## **Westly Calls for Shareholder Committee to Monitor Disney Reforms**

Sacramento, CA – State Controller and California State Teachers' Retirement System (CalSTRS) Board Member Steve Westly today received CalSTRS support for his proposal to reform the governance of Disney Corporation. CalSTRS, the nation's third largest pension fund, was among the 43 percent of Disney shareholders who yesterday withheld their votes for the re-election of Chairman and CEO Michael Eisner.

Westly's call for action responds to yesterday's no confidence vote and recognizes that shareholder concerns extend beyond Eisner's leadership. The proposal calls for establishing an Ad Hoc Shareholder Committee to monitor progress by the Disney Board of Directors, reforming audit and compensation policies and practices, and separating the roles of Board Chair and CEO. CalSTRS will pursue these items as part of its continued efforts with other public pension funds to address Disney governance issues.

The text of Westly's letter to the CalSTRS Board of Trustees follows.

###



STEVE WESTLY  
California State Controller

March 3, 2004

Board of Trustees  
State Teachers' Retirement Fund  
State of California  
Sacramento, California

Dear Colleagues,

Today's decisive vote of no confidence in Disney Chair and CEO Michael Eisner requires our immediate response as individual board members of the third largest pension fund in America. Protecting the investments we hold for our members must be our primary concern.

Regardless of Mr. Eisner's continuing service as Chair and CEO, we must seek comprehensive reforms to restore and maintain the value of our investments in Disney Corporation. Specifically, I ask you to join with me in calling for the following reforms and actions by the Disney Board of Directors:

1. Separating the roles of Board Chair and CEO;
2. Review and reform of Audit and Compensation policies and practices;
3. Establishing an Ad Hoc Shareholder Committee to monitor action by the Disney Board of Directors.

The Ad Hoc Shareholder Committee is a new proposal, and it would be the charge of the Committee to ensure that the Disney Board fulfills its fiduciary responsibility to the company and its shareholders and monitor the Board's progress in addressing shareholder concerns, including the company's leadership, board independence and audit committee policies.

Adopting these reforms, including creation of the Ad Hoc Committee, will ensure that the no confidence votes cast by 43% of shareholders are used to bring about the kind of dramatic changes to Disney's governance that we expect. Thank you for your consideration.

Sincerely,

STEVE WESTLY  
California State Controller